DOCUMENT RESUME

ED 095 322 CE 001 876

| | |
|---|---|
| AUTHOR | Griffee, Alice |
| TITLE | Banking Services, Business Education: 7713.15. |
| INSTITUTION | Dade County Public Schools, Miami, Fla. |
| PUB DATE | 72 |
| NOTE | 27p.; An Authorized Course of Instruction for the Quinmester Program |
| EDRS PRICE | MF-$0.75 HC-$1.85 PLUS POSTAGE |
| DESCRIPTORS | *Banking; Banking Vocabulary; *Business Education; Course Content; Course Objectives; *Curriculum Guides; Finance Occupations; *Financial Services; Performance Criteria; Resource Materials; Secondary Grades |
| IDENTIFIERS | Florida; *Quinmester Program |

ABSTRACT

This course in banking intends to give students an insight into the personal and business services that banks provide. It includes instruction on savings and checking accounts, loans, trusts, and safety deposit facilities. Also included are the performance objectives, five pages of an outline on course content, suggested teaching and learning procedures, and five pages of resource materials for teacher and students. The appendix includes a glossary of banking terms, a bank reconciliation test, vocabulary test, bank principles test, and a suggested checkbook problem lesson. (BP)

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# AUTHORIZED COURSE OF INSTRUCTION FOR THE QUINMESTER PROGRAM

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## BANKING SERVICES

Business Education—7713.15 (New: 7636.15)

CE001876

DADE COUNTY PUBLIC SCHOOLS
DIVISION OF INSTRUCTION • 1971

ED 095322

# BANKING SERVICES

7713.15 (New: 7636.15)

**Business Education**

**Written by Alice Griffee**
**And Approved by the Business Education Steering Committee**
**For Quinmester Courses**

**for the**

**DIVISION OF INSTRUCTION**
**Dade County Public Schools**
**Miami, FL 33132**
**1972**

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Miami, Florida 33132

Published by the Dade County School Board

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I. COURSE TITLE—BANKING SERVICES

II. COURSE NUMBER—7713.15 (New: 7636.15)

III. COURSE DESCRIPTION

A. Synopsis

A course that gives students an insight into the personal and business services that banks provide. The course includes savings and checking accounts, loans, trusts, and safety deposit facilities.

B. Occupational Relationships

| | |
|---|---|
| General office clerk | Loan officer |
| Secretary | Bank clerk |
| Accountant | Bank teller |
| Financial consultant | Investment broker |

C. Textbook

Any of the general business textbooks listed under "Resources for Students" may be used in class sets. The textbook must be supplemented with pamphlets and booklets, which are also listed under "Resources for Students." It is not necessary to issue a textbook for this course; ample learning material is readily available, and the text may be used as a resource.

IV. COURSE ENROLLMENT GUIDELINES

A. Prior Experiences Needed

It is recommended but not required that the student attain the objectives of Money and Banking prior to enrollment in this course.

B. Pretest

The pretest should follow the objectives of the course and be used as a guideline for placement within the course. Some students with a stronger background or aptitude could do individual research into the intricacies of banking services as well as developing the skills required to meet the course objectives.

V. COURSE OF STUDY PERFORMANCE OBJECTIVES

A. Upon successful completion of this course, the student will be able to—

1. demonstrate an awareness of the function of banking in today's business world by writing a short report or orally giving a report;

2. demonstrate an understanding of the fact that banks, while serving the public, are in business to earn a profit by listing the ways that banks derive income;

V. COURSE OF STUDY PERFORMANCE OBJECTIVES, Continued

3. compare various kinds of banks and the services they provide by compiling a list of services offered by each;

4. demonstrate an awareness of bank regulation by writing the ways in which a bank is regulated by state and federal governments;

5. demonstrate an understanding of the organization and purpose of the Federal Reserve System and the Federal Deposit Insurance Corporation by writing an explanation describing the need for each;

6. fill out the following bank forms properly with 100% accuracy:

   a. signature card for a savings account
   b. signature card for a checking account
   c. deposit slip and withdrawal slip for a savings account
   d. deposit slip for a checking account
   e. check stub
   f. check
   g. check endorsements (blank, restrictive, full)
   h. traveler's check
   i. loan application;

7. reconcile a bank statement and determine the amount of cash available for future use;

8. compute simple and compound interest when given rate, time, and amount;

9. compute bank discounts and repayment time on given promissory notes;

10. determine due dates when given beginning date and time;

11. compute true interest rate on time payment loans; and

12. match a list of banking terms with given definitions.

VI. COURSE CONTENT

A. Equipment and Supplies
   1. Textbooks and pamphlets
   2. Blank forms of banking services (either teacher-made, from workbooks, or from neighborhood banks)
      a. signature cards
      b. deposit and withdrawal slips for savings accounts
      c. deposit slips for checking accounts
      d. check stubs
      e. checks
      f. sets of checks with attached stubs
      g. reconciliation forms
      h. loan application forms

VI. COURSE CONTENT, Continued

3. Transparencies and overhead projector with screen
4. Movie and filmstrip projectors

B. Study of Banking as a Business
   1. Brief history of banking in America
   2. Banks organized for different business services:
      a. Community banks
      b. Commercial banks
      c. Trust companies
      d. Industrial banks
      e. Export-import banks
      f. Federal Reserve Banks
      g. World Bank
      h. Savings banks
   3. A bank as a business firm
      a. Organization
         (1) Charter
         (2) Capital
         (3) Stock issuance
         (4) Board of directors
         (5) Regulatory agencies
         (6) Personnel
      b. Expenses and profits for banks

C. Bank Services
   1. Deposits
      a. Who may make deposits
         (1) Savings accounts
         (2) Checking accounts
      b. Who may not make deposits
   2. Checking accounts
      a. Opening an account
         (1) Signature card
         (2) Initial deposit
         (3) Service charges explained
         (4) Advantages of using a checking account
      b. Using a checking account
         (1) Arithmetic of check stub
         (2) Filling out the check and its stub
         (3) Identification numbers on a check
         (4) How a check is transferred
            (a) blank endorsement
            (b) endorsement in full
            (c) restrictive endorsement
         (5) How a check is cleared and cancelled
         (6) Cautions of illegalities
            (a) Raising
            (b) Forgery
            (c) Insufficient funds—protest fees
         (7) Stopping payment on checks

VI. COURSE CONTENT, Continued

c. Reconciliation of account
(1) Outstanding checks
(2) Service charges
(3) Available bank funds after reconciliation

3. Savings accounts
a. Passbook
b. Regular savings account
(1) Filling out deposit slips
(2) Filling out withdrawal slips
(3) Entering interest credits
(4) Computation of compound interest
(5) How savings grow—use of savings table
(6) Insured savings
(a) Maximum amount of account
(b) Multiple accounts
(c) Insurance compared with that offered by savings and loan associations
c. Time certificates
d. Christmas clubs

4. Various forms of payment (negotiable instruments)
a. Certified checks
b. Cashier's checks
c. Bank drafts
d. Bank money orders
e. Express money orders
f. Traveler's checks
g. Personal checks
h. Letter of credit

5. Loans
a. Commercial lending
(1) Loans to individuals
(a) Collateral loans
(b) Signature loans
(c) Commodity loans
(2) Promissory notes
(a) Who may borrow
(b) Procedure for filling out loan application
(c) Interest payment
(d) Discounted note
(e) Maturity date
(f) Rate
b. Consumer financing
(1) Time payment contract
(2) Collateral
(3) Interest charges
(4 (a) Figuring true rate of interest on time payments
(b) Truth in lending law
(4) Required insurance on loans
(a) Accident insurance (automobiles)
(b) Life insurance on borrower
(5) Bank repossessions

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VI. COURSE CONTENT, Continued

c. Real estate mortgage financing
(1) Appraisal service
(2) Qualifying for a home loan
(3) Costs involved with such a loan
(4) Repayment of home loan
(a) Amortization schedules
(b) Total cost of home due to interest
(c) Prepayment clause in loan contract
(5) F.H.A. insured bank loan

d. Federal aid through banks for development of small businesses
(1) Who can qualify for such a bank loan
(2) Repayment and interest on small business loans

e. Educational loans
(1) Who can qualify for such a loan
(2) Repayment of educational loans

f. Loans against a depositor's own savings account
(1) Produces a loan at a lower interest rate
(2) Procedure for taking out such a loan

6. Government and Municipal bonds sold and redeemed
a. Bond (defined)
b. Interest rate—increases in indirect proportion with time of redemption. Comparison of Series E and Series H
c. Procedure of buying and redeeming
d. Advantages and disadvantages of bonds as means of saving money

7. Trusts
a. Investment of money
b. Collect rent, supervise upkeep of property
c. Guardians of money of minor children
d. Help in budgeting and investing an individual's finances

8. International department
a. Currency exchange
b. Transfer of foreign funds
c. International credit

9. Safety deposit boxes
a. Procedure for renting
b. Procedure for putting articles in or taking articles out
c. Privacy and safety

D. A Bank's Place in a Business Community
1. Banks raise the standard of living in a community and supply business capital
a. Help build homes
b. Start new businesses
c. Help farmers finance business
d. Finance children's education
e. Help communities pave streets, construct hospitals, erect public buildings, build parks, etc.
f. Provide time payment loans for household purchases, automobiles, etc.

VI. COURSE CONTENT, Continued

2. Federal Deposit Banks supply necessary capital to communities
3. Help keep economy of community stable by adjustment of interest rates (through Federal Reserve Bank)

E. Coins and Paper Money
1. Authorization for minting or printing
2. Location and method of production
3. Distribution by banks
   a. Redemption of worn out money
   b. New money put into circulation
   c. Counterfeit money

F. Federal Reserve System
1. Organization of the Federal Reserve System
   a. Need of such a system—brief history
   b. Organization of system, districts, branch banks
   c. What banks belong—how this affects the consumer
2. Services of Federal Reserve Banks
3. Issuance of Federal Reserve Notes and how it affects the consumer
4. Federal Deposit Insurance Corporation

VII. SUGGESTED PROCEDURES, STRATEGIES AND LEARNING ACTIVITIES

A. Suggested Teaching Methods

The goals of a study of banking services differ in the complexity and difficulty of attainment, depending on the level of maturity of the students. The skills of using the commercial forms such as deposit slips, checks, and cards can be mastered easily at the junior high school level. An understanding of the intricacies of money transfers, credit transfers between banks, community-government credit services performed by banks and the Federal Reserve System can best, and perhaps only, be taught at the senior high school or higher level. A brief history of banking and the Federal Reserve System can be comprehended quite well by the junior high school student. A variety of activities should be used in presenting the content of this course. Select those suggested activities that you feel may be beneficial and interesting to your students.

B. Simulation Experiences

1. Checking account
   The students may practice having their own checking accounts. Signature cards, deposit slips, and checks may be obtained or prepared by the teacher or students. The students may then work problems which include writing checks, preparing deposit tickets, and reconciling bank statements.

2. Savings account
The teacher may ask the principal's help in determining the legality and feasibility of establishing a short-term in-school savings fund or of inviting a local financial institution to offer a savings program to students. The students may make a list of the materials needed for such a project; e.g., signature cards, deposit slips, withdrawal slips, bank books, and ledger cards. They may establish some rules and regulations in order to operate their bank. After all the necessary forms are available and rules established, the class may decide on the type of employees that would be necessary to carry on the savings service (a teller to receive the deposit and a bookkeeper to record the money deposited). Two students could be selected by the class and the bank would be open for business. Possible rules for operation are listed below:
a. Banking hours are from 9:25 to 9:45 a.m.
b. The maximum deposit is $10.00.
c. No money will be accepted without a passbook.
d. Withdrawals will be only at the end of the course.
e. No transfer of passbook or balance.
f. If passbook is lost, notify the teller.
g. All deposits are subjected to the terms printed in the passbook.
h. No interest will be paid.

C. Local Resource Activities

1. Field trips
The students may enjoy a field trip to a local bank in order to receive realistic exposure to banking services. A guide could provide supplementary information on the basic banking functions.

2. Bulletin boards and displays
Bulletin boards and displays may be prepared by the students. Topics might include:
a. Who uses a bank
b. Bank services
c. Bank forms
d. Tracing a check from writer to cancellation and back to writer

3. Scrapbooks, folders, and notebooks
Students may collect samples of deposit slips, signature cards, withdrawal slips, loan application forms, reconciliation worksheets, checks, and travelers checks. Additional information and articles may be taken from local newspapers or pamphlets provided by banks and their associations (in addition to those in Resources for Students).

VII. SUGGESTED PROCEDURES, STRATEGIES AND LEARNING ACTIVITIES, Continued

4. Local bank information list
The students might be interested in studying the banks in the immediate area or within the city limits. The following information could be secured about each bank:
   a. Is it a commercial bank, or has it been organized for a special purpose?
   b. Is it a state or national bank?
   c. Does it belong to the Federal Reserve System?
   d. Are deposits guaranteed by the Federal Deposit Insurance Corporation or by some other agency? What is the name of the agency?
   e. Does it provide any special services for its customers?

5. Guest speaker
Invite a guest speaker from a local bank. He could speak on job opportunities in banking, or banking services (see Resources for Teachers).

D. Textbook Activities

1. Reading from the general business texts
The textbooks for general business contain extensive units on banking services consisting of four to six chapters. A textbook may serve as one of the primary sources since it contains detailed explanations, examples, and illustrations.

2. Writing answers to unit questions
Students will find a valuable study guide in the questions that follow the order of the text. Teachers will find the questions a valuable means of determining comprehension.

3. Completing workbook activities
Workbooks are available for units on banking services (see Resources for Students). They may be very helpful when used in independent study as the directions are clear and concise.

4. Developing vocabulary
The textbooks and the appendix of this quinmester course of study contain vocabulary lists that assist in building an understanding of the language of business. The vocabulary exercises located at the end of each chapter help students master the important terms that are defined in the text.

5. Discussing Topics
Students enjoy sharing their personal experiences with others. Credit cards, bank forms, travelers checks, credit applications, magnetic ink characters, safety deposit boxes, and the financing of homes or automobiles are topics that may generate discussion. Students develop the ability to communicate with others and learn how to argue constructively.

VII. SUGGESTED PROCEDURES, STRATEGIES AND LEARNING ACTIVITIES, Continued

E. Problem Solving

1. Reconciling a bank statement
Reconciliation problems provide realistic experience for developing a skill which is necessary for anyone who has or will have a checking account in the future. The problems make the students aware of bank service charges, outstanding checks, and outstanding deposits.

2. Computing interest, rate, maturity date
The students may become acquainted with the various types of interest, bank discount, and rates used in banking today. Problems may include: finding a percentage of an amount; finding principal, given rate, time, and interest; finding rate, given principal, time, and interest; finding true rate of interest for time payment loans; using shortcuts in finding percentage and determining maturity dates, given beginning date and time.

3. Financing an automobile
A problem involving the financing of an automobile may be used because this may be the first large purchase a high school student plans to make. Such things as the amount of money financed, payment period, rate, amount of note, monthly payments, and required insurance would be of interest.

4. Using graphs
   a. Circle graphs may show sources of income of banks, items of expense of a bank, percent in 1935 and 1971, types of savings in which individuals save money, etc.
   b. Bar graphs may be used to compare values for: percent of students in each grade having savings accounts, total assets in various banks, percent of available loan money used for various types of loans, etc.
   c. Broken line graphs may show trends in banking, bank deposits, decreases in bank failures since 1935, increases in bank hold-ups and burglaries since 1940, changes in number of services and types of services, changes in number of banks and types of banks, etc.

F. Supplementary Activities

1. Films and filmstrips
Many films and filmstrips are available on banking services (see Resources for Students). This provides a variety in the presentation which is very helpful in stimulating interest. If listening stations are available, these media may be used for individualized study.

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VII. SUGGESTED PROCEDURES, STRATEGIES AND LEARNING ACTIVITIES, Continued

2. Pamphlets
Pamphlets are available that give information on individual topics relating to banking (see Resources for Students).

3. Written and oral reports
Reports may be given to students who wish to do an in-depth study of a particular area of banking which interests them.

4. Learning activity packages
Many excellent activities are listed in the learning activity packages, Expressway to Success in Everyday Living—banking series, that were prepared by Dade County Public Schools. (See Resources for Students.)

VIII. EVALUATIVE INSTRUMENTS

A. Pretest

No prerequisites are necessary for this course. In order to present meaningful learning experiences, it would be helpful to the teacher if he assessed each student's comprehension of banking services.

A pretest may be constructed which will measure the course of study performance objectives in Section V.

B. Interim Tests

During this quinmester course the teacher may wish to evaluate the students' performance by means of short unit tests. Banking services, banking functions, federal reserve system, the checking account, loan procedures, and bank organization are just a few of the many topics you may wish to evaluate. Commercially prepared tests; teacher prepared tests; and content quizzes following a field trip, speaker, student report, film or filmstrip aid greatly in the evaluation of the objectives of the course. The teacher should reinforce those concepts that have not been successfully mastered by channeling those students through activities that may increase student progress.

C. Final Evaluation

A posttest may be developed by the teacher which covers the course content and effectively measures the course of study performance objectives in Section V.

## IX. RESOURCES FOR STUDENTS

### A. Textbooks


Crabbe, Ernest H.; Debrum, S. Joseph; and Haines, Peter G. General Business for Economic Understanding, 9th edition. Cincinnati: South-Western Publishing Co., 1966.

DeBrum, S. Joseph; Haines, Peter G.; Malsbary, Dean R.; and Crabbe, Ernest H. General Business for Economic Understanding, 10th edition. Cincinnati: South-Western Publishing Co., 1971.

Nanassy, Louis C. and Fancher, Charles M. General Business and Economic Understandings, 3rd edition. Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1968.

Price, Ray G.; Musselman, Vernon A.; Hall, J. Curtis; and Weeks, Edwin E., Jr. General Business for Everyday Living, 3rd edition. New York: Gregg Division of McGraw-Hill Book Co, 1966.


### B. Other Books


Cooke, David C. How Money is Made. New York: Dodd, Meade & Co., 1962.

Hine, Al and Alcorn, John. Money Round the World. New York: Harcourt, Brace & Co., 1963.

Lowenstein, Dyne. Money. New York: Franklin Watts, Inc., 1963.

Rosenfield, Bernard. Let's Go to the Mint. New York: G. P. Putnam's Sons, 1960.


### C. Pamphlets and Booklets


Bank Services for You, American Bankers Association, 12 E. 16th Street, New York, NY 10016.

Consumer Education, Programmed Learning. Units II and X, Budgeting and Managing Money and Savings and Investments; 50¢ and $1. Delta Pi Epsilon, National Office, Gustavus Adolphus College, St. Peter, MN 56082.

Facts You Should Know About Our Business System, National Better Business Bureau, Chrysler Building, New York, NY 10017.

Future Unlimited—Career Opportunities in Banking for High School Graduates. Personnel Administration and Management Development Committee, American Bankers Association, 12 E. 16 Street, New York, NY 10016.

IX. RESOURCES FOR STUDENTS, Continued

C. Pamphlets and Booklets, Continued

How Our Bank Helps Our City, Manufacturers Hanover Trust Co., Public Relations Department, 350 Park Avenue, New York, NY 10022.

Keeping Your Money Healthy, Federal Reserve Bank of New York, Federal Reserve P. O. Station, New York, NY 10045.

Know Your Money, United States Secret Service, Treasury Department, Washington, D. C. 20220.

Many Pennies, Golden Press, New York, available from Benjamin Co., 600 Fifth Avenue, New York. (15¢ per copy)

Money and Economics, Federal Reserve Bank of New York, Federal Reserve P. O. Station, New York, NY 10045.

School Saver, Advertising Department, American Bankers Association, 90 Park Avenue, New York.

Simon and His Family Bank, New York State Bankers Association, 405 Lexington Avenue, New York, NY, 1963.

Vinny and Billy—The Boys with a Piggy Bank, Banking Education Committee, American Bankers Association, 90 Park Avenue, New York, NY, 1963.

Your Banks and What They Mean to You, Advertising Department, American Bankers Association, 12 E. 16 Street, New York, NY 10016.

Your Commercial Banks, Advertising Department, American Bankers Association, 12 East 16th Street, New York, NY 10016.

Your Insured Deposits, Federal Deposit Insurance Corporation, Washington, D. C. 10022.

Your Money and The Federal Reserve System, Federal Reserve Bank of Minneapolis, 75 South Fifth Street, Minneapolis, MN 55440.

D. Films

From Instructional Materials Catalog, Dade County Public Schools, Miami, Florida:

Banks and Credit, 10 minutes BW Stereo ED F 1-00396

Banks for Bankers: The Federal Reserve System, (No. 29), 29 minutes BW MPL 1-31281

IX. RESOURCES FOR STUDENTS, Continued

D. Films, Continued

Federal Reserve Bank and You, 30 minutes BW Federal Reserve Board, Atlanta 1-31161

Federal Reserve System, 20 minutes JSEBEC 1-10183

Money in the Bank and Out, 15 minutes, CPE. Churchill. 1-10185

Money on the Move, 28 minutes, C JS, Federal Reserve Bank. 1-131173

Story of Money, 28 minutes, C JS, Federal Reserve Bank. 1-0399

E. Filmstrips

Accepting Deposits and Cashing Checks, each 12-15 minutes, C, 33 1/3 records. The first filmstrip reviews accepting deposits, validating items, and keeping accurate records of all transactions. The second filmstrip outlines check cashing, verifying endorsements and signatures. Lease of each: $7.50 plus return postage; purchase of each, $60. Bank Administration Institute, 303 South Northwest Highway, P. O. Box 500, Park Ridge, IL 60068.

Money and Banking, JS, 35 FR., no sound, Code 643100, $8.50; McGraw-Hill Films, 330 West 42 Street, New York, NY 10036.

You and Your Community Bank (a program with working sheets), sound-color; Educational Media Systems, Inc., 2479 Peachtree Rd. N. E., Suite 1801, Atlanta, GA 30305, 1970.

F. Learning Activity Packages and Projects

Bank Reconciliation Projects by McCullough, Robert J. and Everard, Kenneth (#165, paper bound, 75¢); New York: Pitman Publishing Corp., 1959.

Expressway to Success in Everyday Living, a series of learning activity packages available from Textbook Services, 2210 S. W. Third Street, Miami. The following packages may be used in this course:

#11J-LP-10 Banks in Your Community
#11J-LP-11 Bank Accounts
#11J-LP-12 Special Security Services
#11J-LP-13 How to Borrow

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## X. RESOURCES FOR TEACHERS

### A. Manuals

Teachers manuals are available from publishers for the textbooks listed in Resources for Students section of the outline.

### B. Periodicals

Balance Sheet, The. Cincinnati: South-Western Publishing Company. Monthly, October through May.

Business Education Forum. Washington: National Business Education Association. Monthly, October through May.

Business Education World. New York: Gregg Division of McGraw-Hill Book Company. Five issues yearly.

Journal of Business Education. Stroudsbourg: Robert C. Trethaway. Monthly, October through May.

### C. Transparency

Truth in Lending. Designed to help understanding of the major provisions of the Truth-in-Lending Law and how they will affect users of consumer credit. Covers open end credit, credit other than open end, finance charge, annual percentage rate, installment loans, loan-cost comparison, consolidation loans, advertising controls. Visual Products Division, 3M Company, 3M Center, St. Paul, MN 55101. #15-3546-7; $35.

### D. Bulletin Boards

Bulletin Board Ideas for Business Classes, 1966. (Also 1967 and 1969 supplements; also Bulletin Board Ideas for Bookkeeping, 1963) Delta Pi Epsilon. $1.50 each plus 50¢ handling charge per order. Order from Dr. Ramon P. Heimerl, School of Business, University of Northern Colorado, Greeley, CO 80631.

### E. Handbooks

Accountants Handbook, 4th ed., Edited by Rufus Wixon and Walter G. Kell. New York: Ronald Press Co., 1956.

A Guide to Business Education in Florida Schools, bulletin 72. Tallahassee: State Department of Education, 1967.

Business Education Yearbooks, annual, National Business Education Association, 1201 Sixteenth Street, N. W., Washington, D. C. 20036.

X. RESOURCES FOR TEACHERS, Continued

F. Learning Activity Packages

Expressway to Success in Everyday Living, Teacher's Guide.
Textbook Services, 2210 S. W. Third Street, Miami.

# APPENDIX

## GLOSSARY OF BANKING TERMS

ABA
account
amortization
asset
average balance
bad check
bank
bank draft
bank money order
bearer
bill of lading
blank endorsement
borrower
cancelled checks
capital
cash
cashier
cashier's check
certificate of deposit
certified check
check
checkbook
check protector
check routing symbol
checking account
clearing house
coin
collateral
commercial bank
commodity
compound interest
counter check
counterfeit
credit
currency
denomination
deposit
deposit slip
depositor
discount
dividend
draft
drawer
endorsement
escrow
exchange
face value
FDIC
federal reserve bank
financial statement
fiscal
forgery
foreign exchange
instrument
insufficient funds
interest
investments
joint account
legal tender
letter of credit
liable
liabilities
liquid
loan
maker
maturity
minor
money order
mortgage
national bank
negotiable
outstanding checks
overdraw
passbook
payee
post-dated check
principal
proof department
protest
raised check
real property
reconciliation statement
restricted endorsement
safety deposit
savings account
secured loan
security
semiannually
service charge
share
signature card
standard of value
state bank
statement
stock
stockholders
stop payment
teller
trade acceptance
transit
travelers checks
trust company
trust fund
vault
void
withdrawal
with recourse
without recourse

## SUGGESTED BANK RECONCILIATION TEST

Mr. and Mrs. J. C. Ames have a joint checking account. Their checkbook balance on April 30, was $626.89. During the month of April they made deposits and wrote checks as follows:

**Mrs. Ames:**

| | | |
|---|---|---|
| April 3 | Check #51 | $ 5.75 |
| April 7 | Check #52 | 18.50 |
| April 8 | Check #53 | 3.18 |
| April 17 | Check #54 | 9.45 |
| April 19 | Check #55 | 76.00 |
| April 23 | Check #56 | 1.07 |

**Mr. Ames:**

| | | |
|---|---|---|
| April 10 | Check #27 | $ 10.40 |
| April 11 | Deposit | 185.00 |
| April 15 | Check #28 | 50.00 |
| April 20 | Check #29 | 80.75 |
| April 24 | Check #30 | 17.50 |
| April 25 | Deposit | 185.40 |
| April 30 | Check #31 | 25.31 |

At the end of April the bank statement showed a balance of $750.32. There was a service charge of $1.20. The following checks were outstanding: 29, 30, 31, 56.

Directions: Bring the check stub balance up to date, and reconcile the bank statement in the space below.

## SUGGESTED CHECKBOOK PROBLEM

On Sept. 1 Jerry Stiles had a balance of $362.81 in his checking account. During the month he wrote checks and made deposits as listed below.

Directions: Place the correct balance in the proper places after each deposit and check.

| | | | |
|---|---|---|---|
| Sept. 1 | Balance ..... | $362.81 | $ 362.81 |
| Sept. 2 | Check #1, Hanes Shoes ..... | 23.65 | |
| Sept. 2 | Balance ..... | | |
| Sept. 5 | Check #2, United Drug ..... | 45.00 | |
| Sept. 5 | Balance ..... | | |
| Sept. 8 | Deposit ..... | 196.00 | |
| Sept. 8 | Balance ..... | | |
| Sept. 12 | Check #3, Brynmaur Apts. ..... | 150.00 | |
| Sept. 12 | Balance ..... | | |
| Sept. 15 | Check #4, Ford Garage ..... | 27.37 | |
| Sept. 15 | Balance ..... | | |
| Sept. 16 | Deposit ..... | 196.00 | |
| Sept. 16 | Balance ..... | | |
| Sept. 16 | Check #5, Sadie's Market ..... | 45.00 | |
| Sept. 16 | Balance ..... | | |
| Sept. 17 | Check #6, Midwest Telephone Co. ..... | 7.42 | |
| Sept. 17 | Balance ..... | | |
| Sept. 17 | Check #7, State Power and Light Co. ... | 15.87 | |
| Sept. 17 | Balance ..... | | |
| Sept. 20 | Check #8, University Playhouse ..... | 10.00 | |
| Sept. 20 | Balance ..... | | |
| Sept. 23 | Deposit ..... | 196.00 | |
| Sept. 23 | Balance ..... | | |

## SUGGESTED VOCABULARY TEST

Directions: Fill in the blanks with the proper word that describes each statement.

1. A bank account on which two people can write checks _____
2. The charge a bank makes for people writing checks _____
3. A report of the condition of a person's checking account usually sent out once a month by the bank _____
4. A check that has been paid by the bank _____
5. A comparison of the checkbook balance and the bank statement balance _____
6. A check which has not been returned to the bank of the drawer for payment _____
7. Money that is placed in a bank account by a customer _____
8. A bank account upon which the bank pays interest _____
9. A bank account against which a customer can write checks _____
10. An order written by one person directing his bank to pay money to another person _____
11. Money paid for the use of money _____
12. A record of the deposits one has made and the checks he has written _____
13. A bound book containing stubs and blank checks _____
14. The person who signs a check _____
15. The person to whom the check is made payable _____
16. A check dated later than the date it is issued _____
17. The writing that transfers ownership of a check _____
18. A personal check that carries a bank's assurance that funds are on deposit to cover payment _____
19. A place where banks exchange checks drawn on each other _____
20. An organization that manages the money of others _____

SUGGESTED VOCABULARY TEST, Continued

bank draft
bank reconciliation
bank statement
canceled check
cashier's check
certified check
check
checkbook
checking account
check protector
check stub
clearinghouse
deposit
drawer
endorsement
interest
joint account
money
outstanding check
payee
postal money order
post-dated check
raised check
savings account
service charge
stop payment on check
trust company

## SUGGESTED BANK PRINCIPLES TEST

Directions: Write true in the space provided if you agree with the following statements. Write false if you disagree.

1. In the United States, money cannot be issued until some worn-out money is turned in._____
2. State and national banks are required by law to be members of the F.D.I.C. _____
3. Banks use depositors' money to lend to other customers._____
4. Federal reserve banks handle checking accounts for some individuals if their balance is always over $10,000._____
5. It is best to fill out the check stub before a check is written._____
6. If the amount written in figures does not agree with the amount written in words, a bank is required by law to refuse to cash it._____
7. It is unwise to sign a check with the amount left blank._____
8. A check can be written for an amount less than a dollar._____
9. If an error is made in writing a check, you may erase it and rewrite it if it is done neatly._____
10. Anyone who finds a check made payable to "Bearer" may cash it._____
11. A bank may open a safety deposit box any time to make sure there is no heroin in it._____
12. A canceled check is an excellent receipt._____
13. After reconciliation, the service charge should be added to the checkbook balance._____
14. An endorsement in full makes a check payable to anyone who might find the check._____
15. A check is a safe way to pay bills by mail._____
16. If a payee's name is misspelled, he must first endorse it as it is written and then endorse it a second time, using the correct spelling. _____
17. Service charges are set by the Federal Reserve Bank for all of the banks in that district._____
18. It is legal for a businessman to use a rubber stamp to endorse a check for deposit._____

19. In certifying a check, a bank immediately deducts the amount of the check from the depositor's account._____

20. Banks charge a small fee for issuing Government Bonds Series E but do not charge a fee for issuing Government Bonds Series H._____